



FABIAN NUÑEZ

SPEAKER of the ASSEMBLY

March 18, 2005

Liane Randolph, Chair, and Commissioners
Fair Political Practices Commission
428 J Street, Suite 620
Sacramento, CA 95814

Re: Agenda Item #20 – Adoption of “Gift Cluster” Regulations

Dear Chairman Randolph and Commissioners Blair, Downey, Huguenin and Remy:

Please accept the following comments on Agenda Item #20 for your March 21, 2005 Commission meeting, concerning proposed regulations on gifts.

We are in full support of the Commission’s goal of ensuring that gifts to public officials are disclosed in a manner that serves the purposes of the Political Reform Act. Also, as we have previously stated, we urge the Commission, when considering these proposals, to strongly weigh the policy goal sought by each change against the confusion and difficulty in compliance that may result from imposition of more technical compliance rules in an area that is already quite complicated. To that end, we believe that the Commission should work to avoid creating any more confusion than is necessary to achieve the purposes of these rules.

Based upon these principles, we would ask the Commission to consider the following comments:

1. Valuation of Tickets (Regulation 18946.1). **We support Decision Point 1, Option 3**, which is the current rule for valuation of tickets. This rule has been in place for virtually the entire 30-year existence of the Commission, and was formally codified in regulation nearly 12 years ago. We see no need to change the rule.

The staff’s proposed changes in Options 1 and 2 will simply lead to more confusion than is already generated by the existing maze of gift rules and regulations. Both options potentially create situations in which officials who attend the same event and sit in similar seats receive gifts of varying value depending merely on when they got their tickets. This is not only illogical but will generate absurd results: one official may violate the gift limits or have a conflict of interest while the official seated next to him or her, who sees the same event from the same vantage point, does not. Think how irrational this will appear, for example, to the citizens of a city, where a conflict of interest leaves the constituents of one councilmember unrepresented on a major issue while the constituents of another, who got the same ticket, remain represented.

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In addition, the staff's proposal would ask an official to ignore a value clearly stated on the ticket he or she has received and determine another figure after investigating the circumstances by which a third party obtained the ticket. To ask officials across the state, in large jurisdictions and small ones, to understand and comply with this complex rule is unnecessarily burdensome.

We think the proposed changes are a bad policy that attempts to correct an issue that rarely arises. We urge the Commission to reject the proposed changes and remain with the current rule, which is stated in Option 3.

2. Tickets to 501(c)(3) Fundraisers (Regulation 18946.4). We oppose Decision Points 3 and 4.

As you are aware, the current regulation exempts from the gift rules all tickets received in connection with a fundraiser by a 501(c)(3) organization. Decision Points 3 and 4 undermine the original purpose of the 501(c)(3) exemption, which was to allow public officials to be used as a draw to help publicize these types of events and attract increased attendance. For example, an official who agrees to attend a local domestic violence organization's fundraiser and receives a set of eight tickets to fill a table at the event would be required to report either six or all of the tickets as gifts under the staff's proposals. If there was entertainment at the event, the official would then have to figure out if it was the kind of entertainment that requires valuation under the face value rule or the donor's cost rule. If the donor's cost rule applies, the official would then have to find out what the donor paid for the tickets. The complexity of these rules would deter many officials from helping this type of local charity. Therefore, we urge the Commission to reject Decision Points 3 and 4 in their entirety.

Thank you for your consideration of these comments.

Sincerely,



FABIAN NUÑEZ
Speaker of the Assembly